



February 15, 2019

California Public Utilities Commission
Consumer Protection & Enforcement Division
License Section
505 Van Ness Ave.
San Francisco, CA 94102

Re: Request for Exemption

Dear Consumer Protection and Enforcement Division,

Pursuant to General Order ("G.O.") 157-E, Part 8.02,¹ Waymo LLC ("Waymo") submits this request for a narrow exemption from the Charter-Party Carrier ("TCP") regulations applicable to participants of the California Public Utilities Commission's ("Commission") Drivered Autonomous Vehicle ("AV") Pilot Program. This request is submitted in support of Waymo's TCP application, filed concurrently with this request. As further discussed below, Commission Staff's grant of Waymo's request will be consistent with the purpose of the Drivered AV Pilot program, and will allow Waymo to operate in a manner that is functionally equivalent to the operations otherwise required by General Order 157-E.

Under General Order 157-E, every driver operating under the supervision of a TCP permit holder must be: (1) an employee of the permit/certificate holder, (2) an employee of a sub-carrier, or (3) an independent owner-driver who holds charter-party carrier authority and is operating as a sub-carrier.² Waymo seeks a limited exemption from this requirement to allow Waymo to engage full-time employees of Waymo's third-party staffing providers to serve as test drivers in Waymo's Drivered AV Pilot.³ While Waymo's team of test drivers will include some full-time Waymo employees, operating and scaling a meaningful pilot requires a large group of drivers who are more efficiently engaged through Waymo's experienced and specialized third-party staffing providers. When engaging full-time employees of third party staffing providers, Waymo will operate in a manner that is functionally equivalent to the operations otherwise required by General Order 157-E because all test drivers, including those employed by Waymo's staffing providers, will be trained and monitored in accordance with Waymo's proprietary driver training program and driver operational policies. Waymo has developed a strong team culture of safety, professionalism, and personal responsibility. Waymo expects all team members — regardless of whether they are employed by Waymo or Waymo's staffing providers — to adhere to Waymo's high standards of conduct. In addition, all test drivers will operate subject to and in accordance with applicable DMV regulations and

¹ On October 25, 2018 the Commission approved Resolution TL-19129, which updated and renumbered General Order 157-D.

² G.O. 157-E, Part 5.03 (Driver Status).

³ Waymo's addition of a sub-set of drivers that are full-time employees of Waymo's third-party staffing provider is consistent with the DMV's AV Regulations for AV Test Drivers, which provide that an autonomous vehicle test driver may be "an employee, contractor or designee of the manufacturer." Cal. Code Regs., tit. 13, § 227.32.

all of the same Commission requirements that apply to Waymo's full-time employee drivers.

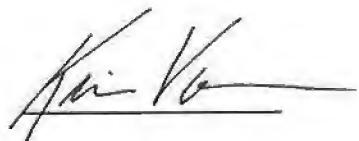
Granting the requested limited exemption is consistent with the purpose of the Drivered AV Pilot because it would enable a pilot that generates the data the Commission seeks regarding use of AVs in transportation services. The Commission approved the Drivered AV Pilot Program in recognition of the important public benefits that AVs can provide. The Commission took a measured approach by first collecting pilot data that will later inform the framework for fully driverless deployment. In approving the Drivered AV Pilot Program and mandating data reporting requirements, the Commission found that "operational data will be important to consider as AVs introduce passenger service in California."⁴

To provide the Commission with operational data at a scale that is both qualitatively and quantitatively meaningful, Waymo finds that it will be critical to use more drivers than it employs directly. Because Waymo is a technology company focused on developing fully driverless vehicles, Waymo believes that its third-party staffing providers are better positioned to rapidly screen, hire, and manage large numbers of drivers, and then redeploy those employees upon the natural conclusion of their participation in Waymo's Drivered AV Pilot program.

Further, and significantly, Waymo's operations will be functionally equivalent to the operations otherwise required by G.O. 157-E, regardless of whether Waymo's drivers are full-time Waymo employees, or full-time employees of Waymo's third-party vendors. All drivers whom Waymo engages through one of its third-party vendors for purposes of the Drivered AV Pilot Program will be subject to all of the same Commission requirements that are applicable to Waymo's full-time employee drivers, including: (a) the same DMV-registered training program, (b) the same controlled substance and alcohol testing program, and (c) enrollment in the DMV's Pull Notice Program. Similarly, all third-party drivers will hold a DMV AV Test Vehicle Operator Permit, and will be subject to all requirements that the DMV imposes on test drivers.

For the forgoing reasons, Waymo respectfully requests that the Consumer Protection and Enforcement Division grant Waymo's request for a limited exemption that allows Waymo to engage third-party drivers for the limited purpose of Waymo's participation in the Commission's Drivered Pilot Program.

Sincerely,



Kevin Vosen
General Counsel
Waymo LLC
1600 Amphitheatre Parkway
Mountain View CA 94043

⁴ D.18-05-043 at p.26.

DECLARATION OF KEVIN VOSEN
IN SUPPORT OF WAYMO LLC'S REQUEST FOR EXEMPTION

WHEREAS, I am the General Counsel and Secretary of Waymo LLC (“Waymo”). My office is located at 100 Mayfield Avenue, Mountain View, California, 94043.

WHEREAS, I submit this declaration in furtherance of the Request for Exemption that Waymo included with its Drivered Autonomous Vehicle (“AV”) TCP application, submitted to the California Public Utilities Commission (“Commission”) on October 31, 2018.

9 WHEREAS, Waymo's Request for Exemption was submitted pursuant to General Order
10 ("G.O.") 157-E, Part 8.02, which requires in part, that the applicant demonstrate that "if the
11 exemption is granted, the carrier's operations will be functionally equivalent to the operations
12 otherwise required by [G.O. 157-E]."

13 WHEREAS, Waymo's Request for Exemption seeks a limited exemption so that Waymo
14 may engage employees of Waymo's third-party staffing vendors as test drivers in Waymo's
15 Drivered AV TCP Pilot.

16 WHEREAS, Commission staff has requested additional declarations regarding Waymo's
17 third-party staffing partners' compliance with the Commission requirements related to: (1) G.O.
18 157-E's Controlled Substance and Alcohol Testing program; (2) liability insurance coverage; (3)
19 workers' compensation insurance; and (4) the safety education and training program required by
20 Public Utilities Code section 5174(a)(1)(E).

I, KEVIN VOSEN, DECLARE AS FOLLOWS:

23 1. Waymo will contractually require that Waymo's third-party staffing vendors must
24 cause all of the Waymo drivers they employ to participate in a controlled substance and alcohol
25 testing program, which will include educational materials for drivers, training for supervisors, and
26 specified testing of drivers for use of controlled substances and alcohol, consistent with General
27 Order 157-E.

1 2. Waymo currently enrolls, and will continue to enroll, all Waymo drivers permitted
2 under the California DMV's Autonomous Vehicle Testing Program, including the employees of
3 Waymo's third-party staffing vendors, in Waymo's DMV Employer Pull Notice account.
4 Waymo's Pull Notice Agreement with the DMV provides that the DMV will furnish a report to
5 Waymo each time a driver's record is updated to record a specified action or activity.

6 3. Waymo's auto liability insurance policy covers vehicles owned by Waymo,
7 including, but not limited to, vehicles equipped with Waymo's "Self Driving System." Waymo's
8 liability insurance policy covers persons operating the vehicles with the express or implied
9 permission of Waymo, such as employees of Waymo, or employees of Waymo's third party
10 staffing vendors, while acting within the scope of their employment.

11 4. As evidenced by the signed workers' compensation policies that Waymo
12 submitted to the Commission for its third-party staffing vendors, Waymo's third-party staffing
13 vendors have in place workers' compensation coverage.

14 5. The drivers employed by Waymo’s third-party staffing vendors will receive safety
15 education and training consistent with the “Test-Driver Training Program Outline” submitted to
16 the Commission in support of Waymo’s AV TCP application.

17 6. I declare, under penalty of perjury, under the laws of the State of California that
18 the foregoing is true and correct.

20 Executed in Kentfield, California on February, 15 2019.



Kevin Vosen
General Counsel and Secretary
Waymo LLC